GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Municipal Administration & Urban Development (CRDA.2) Department - Amaravati Development Corporation Limited, Vijayawada - Infrastructure development projects in Amaravati Capital City Area- Request for releasing 2nd stage of mobilisation advance of 5% towards Material mobilisation against unconditional and irrevocable bank guarantee in line with G.O.Rt.No.1474, MA&UD Dept., Dt.12.12.2007 instead of G.O.Ms.No.50, I&CAD Department, dt.02.03.2009, for the all ongoing and upcoming Capital City works subject to furnishing of unconditional and revocable 110% Bank guarantee – permission accorded- Orders – Issued.

MUNICIPAL ADMINISTRATION & URBAN DEVELOPMENT (CRDA.2) DEPARTMENT

G.O.MS.No. 267 **Dated: 09-08-2018.**

Read the following :-

1. G.O.Ms.No.94, I&CAD Department, dt.07.07.2003.
2. G.O.Ms.No.50, I&CAD Department, dt.02.03.2009.
3. G.O.Rt.No.1474, MA&UD Dept., dated:12.12.2007.
4. From Chairperson and Managing Director, ADCL, Vijayawada, Lr.No.111/ADCL/M.A.Roads/2018, Dt.06.07.2018.

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O R D E R :

In the reference 1st read above, Government in I&CAD Department have issued orders that, the Contractor shall have facility of obtaining Mobilisation Advance up to 10% of contract value on works costing more than Rs.1.00 Crore against Bank Guarantee which will attract suitable rate of interest. The advance and interest shall be recovered from the contractors bills in appropriate installments.

2. In the reference 2nd read above, the I&CAD Department have issued orders as follows:-

1. In EPC contracts, Mobilisation Advance not exceeding 5% of the contract value is payable at the different stages of execution.
2. Mobilisation Advance on new machinery at the prescribed percentage of the value of new machinery not exceeding 5% of contract value is payable against production of original invoices in proof of purchase of the machinery by the contractor/ firm/joint venture.

3. In the reference 3rd read above, the MA&UD Department have issued orders permitting the Engineer-in-Chief, Public Health for releasing mobilisation advance of 10% towards Labour and Material mobilisation against unconditional and irrevocable bank guarantee which is the condition of G.O.Ms.94, I&CAD Dept., dt.01.07.2003, subject to furnishing of 100% Bank guarantee to facilitate the agencies in procurement of materials to achieve better progress of works.

4. In the reference 4th read above, the Chairperson & Managing Director, Amaravati Development Corporation Limited (ADCL) has stated that, Amaravati Development Corporation Limited and Andhra Pradesh Capital Region Development Authority have taken up Trunk Infrastructure Development works

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under different packages in Amaravati Capital City Area. The works were entrusted to agencies and are in progress after concluding agreements. Further, the C&MD, ADCL has informed that as per clause No.19.2.1 of Agreement Mobilisation Advance upto 10% in installation for the value of contract against unconditional and irrevocable bank guarantee in terms of G.O.Ms.No.94 dt:01.07.2003 and G.O.Ms.No.50 I&CAD Dt:02.03.2009 is allowed. Mobilisation advance towards labour can be availed in 3 instalments within a period of 25% of agreement period or 3 months, whichever is earlier. Thereafter the agency cannot avail the facility.

1.A. 2.5% after conclusion of agreement

1.B. The remaining 2.5% after completion of investigation and designs

2. Mobilisation Advance towards new machinery and equipment not exceeding 5% of the contract value can be availed within 50% of the agreement period or 1 year whichever is earlier. The mobilisation advance is payable for the new machinery purchased after the date of conclusion of agreement. Insurance and hypothecation to the employer shall be ensured.

5. The Chairperson & Managing Director, Amaravati Development Corporation Limited (ADCL) has further informed that one of the agencies i.e., M/S NCC Ltd. has represented that, their contract being predominantly consist of Utilities, water treatment plants, instrumentation, SCADA etc and 75% value of agreement consists of material cost. The material have to be procured by making advance payments and needs huge investments and Government have issued G.O.Rt.NO.1474, MA&D Dept., dt:12.12.2007 which permits releasing of 10% mobilisation advance against 100% unconditional and irrevocable bank guarantee to facilitate the agencies in procurement of material to achieve better progress of works.

6. The Chairperson & Managing Director, Amaravati Development Corporation Limited (ADCL) has also informed that all the Capital City woks are of urgent nature and time bond. The works involves critical and smart infrastructure, which requires specialised material for which limited manufactures are available. The agencies have to make huge advance payment of the manufacture for procurement of materials.

7. The Chairperson & Managing Director, Amaravati Development Corporation Limited (ADCL) has therefore requested the Government, to accord permission for releasing 2nd stage of mobilisation advance of 5% towards Material mobilisation against unconditional and irrevocable bank guarantee in line with G.O.Rt.No.1474, MA&UD Dept., Dt.12.12.2007 instead of G.O.Ms.No.50, I&CAD Department, dt.02.03.2009, for the all the ongoing and upcoming Capital City works subject to furnishing of unconditional and revocable 110% Bank guarantee to facilitate the agencies in procurement of materials to achieve better progress of works and also permission to conclude supplemental agreements accordingly.

8. After careful examination, Government hereby accord permission for releasing the 2nd stage of mobilisation advance of 5% towards Material mobilisation against unconditional and irrevocable bank guarantee in line with

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G.O.Rt.No.1474, MA&UD Dept., D1.12.12.2007 instead of G.O.Ms.No.50, I&CAD Department, d1.02.03.2009, for all the ongoing and upcoming Capital City works subject to furnishing of unconditional and revocable 110% Bank guarantee to facilitate the agencies in procurement of materials to achieve better progress of works and also accord permission to conclude supplemental agreements accordingly.

9. The Chairperson & Managing Director, Amaravati Development Corporation Limited (ADCL) and the Commissioner, Andhra Pradesh Capital Region Development Authority (APCRDA) shall take necessary further action in the matter.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

AJAY JAIN
PRINCIPAL SECRETARY TO GOVERNMENT (CRDA)

To
The Chairperson & Managing Director,
Amaravati Development Corporation Limited(ADC),
Ananda Heights, Beside Prabhas College, Kedarewarao pet,
Vijayawada.
The Commissioner,
Andhra Pradesh Capital Region Development Authority (APCRDA),
Vijayawada.

//FORWARDED : : BY ORDER//

SECTION OFFICER